

ARIZONA STATE BOARD OF ACCOUNTANCY

OPEN SESSION MINUTES

March 17, 2008

Members of the Arizona State Board of Accountancy held a meeting at 8:18 a.m. on Monday, March 17, 2008 at the Accountancy Board Office in Suite 165, 100 N. 15th Avenue, Phoenix, Arizona. An Executive Session was held from 8:33 a.m. to 9:40 a.m.

BOARD MEMBERS:

Marianne E. DeVries, CPA	President
Patrick J. Ramirez	Treasurer
✕ James E. May	Secretary
☉ Debbi Fitzgerald, CPA	Member
Gary W. Fleming, CPA	Member
✕ Samuel L. Fogleman, CPA	Member
Earl R. Shivers, CPA	Member

☉ Left at 12:05 p.m.

✕ Absent

OTHERS PRESENT:

Valerie M. Elliott	Executive Director
Jim Dubé	Deputy Director
Seth T. Hargraves, Esq.	Assistant Attorney General
Daniel R. Christl, Esq.	Assistant Attorney General
Ryan P. Edmonson	Programs & Projects Specialist II
Yolanda M. Barajas	Administrative Assistant III
Elena N. Frausto	Administrative Assistant III

GUESTS PARTICIPATING:

David Costello	NASBA, President and CEO
Sally Flowers	NASBA, Pacific Regional Director
Cindie Hubiak, CPA	ASCPA, President and CEO
Hedi Frei	ASCPA
Christopher Munns, Esq.	Assistant Attorney General, Solicitor General Office
D. Jay Ryan, Esq.	Attorney
Stephan H. Brewer	Registrant
Frank Loncto	Registrant
Susan Laurence	Recruitment Manger (ADOA)
Tom Kernen	Senior Recruiter (ADOA)
Melissa Espino	Staffing Recruiter (ADOA)

The meeting was called to order at 8:18 a.m. by Marianne E. DeVries, President. The following order of business was then considered:

OPEN SESSION

CALL TO THE PUBLIC

D. Jay Ryan, Esq. was present, on behalf of his client, requesting that the Board reject the Tax Practice Committee's recommendation to offer a Decision & Order (By Consent) and consider issuing an Administrative Letter of Concern (LOC).

MINUTES

February 11, 2008 Board Meeting

A motion was made by Debbi Fitzgerald, seconded by Patrick J. Ramirez and passed to approve the Open Session Minutes from the February 11, 2008 Board meeting.

A motion was made by Debbi Fitzgerald, seconded by Patrick J. Ramirez and passed to approve the Executive Session Minutes from the February 11, 2008 Board meeting.

DECLARATION OF CONFLICTS OF INTEREST

Debbi Fitzgerald, CPA declared a conflict on Marcus Feder, CPA, PLC of the consent agenda.

Gary W. Fleming, CPA declared conflicts on Jill A. Helm and Danette Jorene Hefty of the consent agenda.

CONSENT AGENDA

(The Board may pull any of the following items off the consent agenda to take individual action.) Board discussion and legal action on the following items:

Due to conflicts, Debbi Fitzgerald requested Marcus Feder, CPA, PLC be pulled from the consent agenda and voted on separately.

Due to conflicts, Gary W. Fleming requested Jill A. Helm, Virginia and Danette Jorene Hefty be pulled from the consent agenda and voted on separately.

A motion was made by Earl R. Shivers, seconded by Patrick J. Ramirez and passed to accept the following consent agenda:

- a. Recommended for Registration of LLC/PLLC/LLP's for the following Applicants

(Meet the requirements of A.R.S. § 32-735):

Northern AZ Tax & Accounting PLLC

Partner: Tim Howell 9694-E

AZ Accounting Services LLC

Partner: Zeenat Patel 13388-E

Copperstate Consulting & Financial Svcs, PLC

Partner: Tracy L. Cowardin 13925-R

Valley Wide Tax & Accounting PLLC

Partner: Christopher S. Lyons 14104-E

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Stacy Herman CPA PLLC
Partner: Stacy Herman 14483-E

Stephanie J. Tangeman CPA PLLC
Partner: Stephanie J. Tangeman 8049-E

b. Recommended for Firm Name Change:

Laurence V. Wexler CPA PC
Laurence V. Wexler PC 279-C
Partner: Laurence V. Wexler 1023-E

Egghart & Associates LLC, CPA~~s~~
Egghart & Associates 2670-P
Partner: E. J. Egghart 10429-R

Pinnacle Business Solutions
Pinnacle 2241-P
Partner: Paul J. Beckert 13069-E

Pankow Company, PC, Business Appraisers
Pankow & Company, PC 803-C
Partner: Frank G. Pankow 6997-E

Holcomb & Shreeve PC
Holcomb & Shreeve CPA~~s~~ PC 2566-C
Partner: Kristopher Holcomb 11786-E

West Christensen PC
West Christensen & Associates PC
Partners: Kevin D West 6713-E
Tony Christensen 2981-E

c. Request for Firm Cancellation . Do not wish to renew:

Frizzell Senkerik & Company PC 309-C
Tina L. Myers PC 1156-C

Epstein, Weber & Conover PLC 2427-L

d. Recommended for Cancellation of Certificate per registrant~~s~~ request not to renew:

Rex H. Knoles Jr. 2249-E
James A. Vogel 350-R
Eric C. Teel 10523-E
Karen M. Bermudez 8962-E

Jacqueline R. Adams 13753-R
Trevor R. Jones 13858-E
Carwin Y. Peterson 2633-R

e. Recommended for Reissuance of Certificate because of Name Change:

Micheline S. Dominguez (Rathburn) 12161-E
Tammy Papp (Fryer) 9492-E
Tina E. Divine (Swain) 12643-E
Shelee D. Hartvikson (Swayda) 12500-E
Donice L. Laycock (Wendeln) 5465-E
Amy Michele Peretzman (Steele) 14427-R

f. Recommended for Reactivation of Certificate from Inactive Status - A.R.S. §32-730(E):

Peggy Ann Beswick 9388-E

Alison Kay Masten 5621-E

g. Recommendation of the Certification Committee for approval of Certification by Examination - A.R.S. §32-721:

Sarah Bernadette
Allen Browning
Elizabeth M. Davis
Christopher A. Jones
Megan Mandel
Hubert W. McMin III
Erin Riley Olson

Matthew J. Bingham
Bryan R. Davis
John M. Hundman
Jamie M. Layton
Jeffrey W. Welter
Patrick J. Meier
J. Scott Palfreeman

Adam Robert Rutherford
Betty L. Soli
Kimberly Stinson
Wesley O. Trimble

Joshua L. Smith
Thomas L. Steele
Jason Tobak

- h. Recommendation of the Certification Committee for approval of Certification by Reciprocity - A.R.S. § 32-724:
Sal R. Hernandez . California
Kevin Stuck . Minnesota
Brent A. Marshall . California
- i. Recommendation of the Certification Committee for approval of Certification by Reciprocity based on Substantial Equivalency - A.R.S. § 32-726(B):
Joseph M. Albers . Ohio
Paul M. Bruner . Wisconsin
Linda S. Hayball . Virginia
Marla V. Hummel . Nevada
Ethel H. Redhair . New Mexico
Shawn Stephen Bishop . Georgia
Stephen Covell . Massachusetts
Barry R. Henninger . New Jersey
Alexander Ibhadegha Igwe . Illinois
- j. Recommendation of the Certification Committee for approval of Certification by Grade Transfer - A.R.S. § 32-721:
Sara Di Iorio . Georgia
Meng Guo . Hawaii
Angela Fry . Oregon
Melissa Ikens . Illinois
- k. Recommendation of the Certification Committee for approval of Examination Candidates for the Uniform CPA Exam - A.R.S. § 32-723:
- | | |
|---------------------------|-----------------------------|
| Daniel James Baker | James Whitmore Barfield III |
| Connie Carmen Barrios | Fred Bedoya |
| George Matthew Beede | William Gregory Beyhan |
| Rachel Katherine Butts | Elia Imelda Carrillo |
| Charles Davidson | Janhavi Mukesh Desai |
| Jennifer Kathleen Donahue | Roman Garrick Eskue |
| Godwin Gambiza | Timothy Joseph Gilbride |
| Shawn Paul Hardaway | Dennis M. Hare |
| Britton D. Huish | Donna Jeanne Hubele |
| Jayne Lee Hyatt | Amy Shauwei Hwang |
| Scott Steven Keithly | Jay Ryan Judson |
| Joel C. Lewison | Alyson Paige LeDesky |
| Elizabeth Laureen Makela | Loren B. Makar |

Edwin Alexander Mercado Jr.

Benjamin Joseph Packard

LaTosha Denise Rivers

Rachel Lynn Ryan

Brandon Wayne Temple

Bonnie Lynn White

Kasey Taylor Woodard

Travis E. Zander

Zhanna A. McPhaill

George Murnane III

David-Rex Petersen Platt

Luis M. Roa

Anthony Peter Spano

Alma Delia Valle

Kenneth Allen White

Meagan Elaine Yannitelli

- I. Recommendation of the Peer Review Oversight Advisory Committee for approval of the following firms in compliance with A.A.C. R4-1-454:

Anderson & Sarnowski, PC 10-C

Capirchio, Craig C., Ltd 2023-C

Griffore, Doug W., CPA PC 2268-C

Karpinski & Jacobsen, PLC 923-L

Perius, William H., CPA 5015-S

Sandhaus & Co CPAs PC 2342-C

Skinner, Tamerson & Company LLP 563-B

Wood, Darlene E., CPA 4679-S

Ales, Larry L., PC 2247-C

Clark, S.E. & Company, PC 2165-C

Gallacher Bosen & Goodman, PLLC 2731-L

Heidenreich & Heidenreich CPAs 2099-C

Miller, Scott H., Co., PC 1056-C

Rosenfeld, Mark D., CPA, PC 1112-C

Schmidt, A. Elizabeth CPA 5518-S

Wasser, Clinton R., CPA PC 1127-C

CONSENT AGENDA

A motion was made by Earl R. Shivers, and seconded by Patrick J. Ramirez and passed to approve the following consent agenda item:

- a. Recommended for Registration of LLC/PLLC/LLP~~s~~ for the following Applicants
Marcus Feder CPA PLC
Partner: Marcus Feder 9200-R

Debbi Fitzgerald declared a conflict and did not vote.

A motion was made by Earl R. Shivers, and seconded by Patrick J. Ramirez and passed to approve the following consent agenda item:

- i. Recommendation of the Certification Committee for approval of Certification by Reciprocity based on Substantial Equivalency - A.R.S. § 32-726(B):

Jill A. Helm . Virginia

- k. Recommendation of the Certification Committee for approval of Examination Candidates for the Uniform CPA Exam - A.R.S. § 32-723:

Danette Jorene Hefty

Gary W. Fleming declared conflicts and did not vote.

EXECUTIVE DIRECTOR'S REPORT

Valerie M. Elliott, Executive Director, gave an update to the Board on the budget, performance measurements and agency operations.

PRESIDENT'S REPORT

Marianne E. DeVries, President and Valerie M. Elliott, Executive Director gave an update on the legislative bill regarding mobility.

EXECUTIVE SESSION

A motion was made by Earl R. Shivers, seconded by Patrick J. Ramirez and passed to go into Executive Session at 8:33 a.m. to seek legal advice and review confidential material pursuant to A.R.S. § 38-431.03(A)(2)(3) and (4).

After consideration in Executive Session, the Board reconvened in Open Session at 9:40 a.m.

ITEMS FOR BOARD REVIEW, DISCUSSION AND LEGAL ACTION

Issues from and regarding the National Association of State Boards of Accountancy (NASBA)

- i. Dialogue with David Costello, President and CEO of NASBA & Sally Flowers, Pacific Regional Director

David Costello, President and CEO and Sally Flowers, Pacific Regional Director of NASBA were present to discuss issues regarding NASBA with the Board. Mr. Costello and Ms. Flowers discussed with the Board the relevance of state boards, resources for state boards and the CPA exam. In addition, the Board discussed with Mr. Costello and Ms. Flowers, state boards role in standard setting, accountancy licensee directory, communication issues, and International Qualifications Appraisal Board.

- v. CBT Contract Amendment

A motion was made by Earl R. Shivers, seconded by Patrick J. Ramirez and passed to approve the CBT Contract Amendment.

COMMITTEE RECOMMENDATIONS – COMPLAINT/INITIAL ANALYSIS FILES

File No. 2008.032

A motion was made by Patrick J. Ramirez, seconded by Gary W. Fleming and passed to accept the Tax Practice Committee's recommendation to close the complaint file, no violations of professional standards.

File No. 2008.037

A motion was made by Patrick J. Ramirez, seconded by Gary W. Fleming and passed to accept the Tax Practice Committee's recommendation to open an investigation file.

File No. 2008.041

A motion was made by Patrick J. Ramirez, seconded by Gary W. Fleming and passed to accept the Tax Practice Committee's recommendation to open an investigation file.

File No. 2008.042

A motion was made by Patrick J. Ramirez, seconded by Gary W. Fleming and passed to accept the Accounting and Auditing Standards Committee's recommendation to open an investigation file and file a Complaint and a Notice of Public Hearing for revocation.

COMMITTEE RECOMMENDATIONS – INVESTIGATION FILES

File No. 2007.064

A motion was made by Patrick J. Ramirez, seconded by Gary W. Fleming and passed to accept the Tax Practice Committee's recommendation to close the complaint file.

File No. 2007.108

A motion was made by Patrick J. Ramirez, seconded by Debbi Fitzgerald and passed to accept the Accounting and Auditing Standards Committee's recommendation to offer a Decision & Order (By Consent) to include probation for 24 months; 16 hours of continuing professional education (CPE) in the areas of compilation and financial reporting standards, and if the registrant decides to conduct audits, reviews or full disclosure compilations, the registrant must take continuing professional education (CPE) in the areas of GAAS & GAPP and submit the first three engagements to pre-issuance peer review and full reimbursement of the Board's investigation costs.

File No. 2008.016

A motion was made by Patrick J. Ramirez, seconded by Gary W. Fleming and passed to accept the Tax Practice Committee's recommendation to offer a Decision & Order (By Consent), as amended in executive session.

RESPONSE TO OFFERED DECISION & ORDER (BY CONSENT)

File Nos. 2007.075 & 2007.110

A motion was made by Patrick J. Ramirez, seconded by Gary W. Fleming and passed to approve an extension for 45 days to respond to the Decision & Order (By Consent).

NOTICES OF UNLAWFUL USE OF THE CPA DESIGNATION

File No. 2008.044

A motion was made by Patrick J. Ramirez, seconded by Gary W. Fleming and passed to direct the Assistant Attorney General to file an application to show cause for contempt in the Superior Court and to forward this matter to the Pima County Attorney's Office for possible criminal prosecution.

INITIAL ANALYSIS

i. 6018-E

A motion was made by Patrick J. Ramirez, seconded by Gary W. Fleming and passed to open an investigation file and offer a Decision & Order (By Consent) for relinquishment and if not accepted within 30 days to file a Complaint and Notice of Hearing for revocation.

ii. A motion was made by Patrick J. Ramirez, seconded by Gary W. Fleming and passed to open separate investigation files for notice of unlawful use of the CPA designation on the individual and the firm.

ITEMS FOR BOARD REVIEW, DISCUSSION AND LEGAL ACTION

Recommended Decision of Administrative Law Judge

File No. 2008.020; Loncto, Frank

The Board members each publicly acknowledged that they read the Administrative Law Judge's Decision and transcript of the hearing.

Christopher Munns, Assistant Attorney General, from the Solicitor General's Office was present to provide legal advice to the Board. Daniel R. Christl, Assistant Attorney General was present requested that the Board accept the Administrative Law Judge's recommended Decision with two amendments to include reimbursement of costs and completion of the initial investigation. Frank Loncto was present and made a brief statement and read a letter defending his position.

A motion was made by Earl R. Shivers, seconded by Gary W. Fleming and passed to accept the Administrative Law Judge's Findings of Fact.

A motion was made by Earl R. Shivers, seconded by Gary W. Fleming and passed to accept the Administrative Law Judge's Conclusions of Law.

A motion was made by Earl R. Shivers, seconded by Debbi Fitzgerald and passed to modify the Administrative Law Judge's Recommended Decision to include recovery of costs, completion of the investigation of the complaint and require the registrant to return his CPA certificate to the Board within 30 days.

Termination of Decision & Orders (By Consent)

File No. 2008.018; Chronister, Mitchell

A motion was made by Gary W. Fleming, seconded by Patrick J. Ramirez and passed to terminate the Consent Order and close the file.

Status of Compliance with Decision & Orders (By Consent)

File No. 2004.047; Abbott, William G.

A motion was made by Debbi Fitzgerald, seconded by Patrick J. Ramirez and passed to offer a Decision & Order (By Consent) to include an administrative civil penalty of \$1,500.00 for failure to timely respond to the Board.

File Nos. 2006.089 & 2007.074; Brewer, Stephan H.

Stephan H. Brewer, registrant was present to explain to the Board that he believed he was in compliance with his Decision & Order (By Consent) regarding the affidavit. A motion was made by Debbi Fitzgerald, seconded by Earl R. Shivers and passed to offer a Decision & Order (By Consent) to include an administrative civil penalty of \$500.00 for failure to timely respond to the Board.

Discussion and possible action on adopting plan for succession and replacement of the executive director. Susan Laurence and/or another representative from the Arizona Department of Administration may be present to assist the Board with the process.

Valerie M. Elliott, Executive Director announced her resignation to the Board. Susan Laurence, Recruitment Manager; Tom Kernan, Senior Recruiter and Melissa Espino, Staffing Recruiter from the Arizona Department of Administration Human Resources were present to speak with the Board regarding the formation of a search committee to select Ms. Elliott's successor.

A motion was made by Gary W. Fleming, seconded by Earl R. Shivers and passed to create a search committee for the Executive Director position and to nominate Board members Samuel L. Fogleman, Patrick J. Ramirez and James E. May to the Committee, upon acceptance of Samuel L. Fogleman and James E. May.

Application for Certification by Examination/Grade Transfer, Deferral/Denial by Certification Committee - A.R.S. § 32-721

Lance R. Monahan

Debbi Fitzgerald reviewed the file. A motion was made by Debbi Fitzgerald, seconded by Gary W. Fleming and passed to deny his request for application for certification by examination because he did not meet the education requirements and to appoint Valerie M. Elliott, Executive Director, or Jim Dubé, Deputy Director as a designated representative of the Board to conduct a informal settlement conference, if requested, with limited authority to settle.

Roberta Lynne McCue

Debbi Fitzgerald reviewed the file. A motion was made by Debbi Fitzgerald, seconded Patrick J. Ramirez and passed to approve her application for certification by examination.

Recommendation of the Peer Review Oversight Advisory Committee for approval of the following firms in compliance with A.A.C. R4-1-454:

DeVries CPAs of Arizona 800-C

A motion was made by Debbi Fitzgerald, seconded Earl R. Shivers and passed to accept the Peer Review Oversight Advisory Committee recommendation for approval of firm in compliance.

Marianne E. DeVries declared a conflict and did not vote.

Request for Pre-approval for CPE

File No. 2003.008; Montes, Samuel

A motion was made by Earl R. Shivers, seconded by Patrick J. Ramirez and passed to approve his request for CPE.

Issues from and regarding the National Association of State Boards of Accountancy (NASBA)

Government Agency Referral Process

No action taken.

Legislative Support Committee web page

No action taken.

Conference on the State of the Examination, May 19, 2008, Dallas, TX

Consideration of approval for Executive Director and Board members attendance and travel to the meeting

A motion was made by Patrick J. Ramirez, seconded by Gary W. Fleming and passed to approve travel for one Board member to attend the Conference on May 19, 2008 in Dallas, TX.

2008 Western Regional Meeting, June 18 - 20, 2008 Newport Beach, CA

Consideration of approval for Executive Director and Board members attendance and travel to the meeting

A motion was made by Earl R. Shivers, seconded by Patrick J. Ramirez and passed to approve travel for three people, Board staff or Board members to attend the Conference on June 18 - 20, 2008 in Newport Beach, CA.

Arizona Department of Economic Security DES Request for Assistance to Collect Child Support from Delinquent Obligor

No action taken.

Delegation of Authority to the Executive Director to suspend a CPA certificate upon receipt of an Administrative Order of non-compliance issued pursuant to A.R.S. 25-517.

A motion was made by Earl R. Shivers, seconded by Gary W. Fleming and passed to delegate authority to the Executive Director to suspend CPA certificates, upon receipt of an Administrative Order of non-compliance issued pursuant to A.R.S. 25-517.

Application for Certification by Examination/Grade Transfer, Deferral/Denial by Certification Committee - A.R.S. § 32-721

William Earl Rogers Jr.

Earl R. Shivers reviewed the file. A motion was made by Earl R. Shivers, seconded by Patrick J. Ramirez and passed to approve his application for certification by examination.

S. Bret Howcroft

Gary W. Fleming reviewed the file. A motion was made by Gary W. Fleming, seconded by Patrick J. Ramirez and passed to deny his request for application for certification by examination because he did not meet the education requirements and to appoint Valerie M. Elliott, Executive Director, or Jim Dubé, Deputy Director as a designated representative of the Board to conduct a informal settlement conference, if requested, with limited authority to settle.

Richard C. Keyt

Patrick J. Ramirez reviewed the file. A motion was made by Patrick J. Ramirez, seconded by Gary W. Fleming and passed to approve his application for certification by examination.

Eric J. Whitfield

Gary W. Fleming reviewed the file. A motion was made by Gary W. Fleming, seconded by Patrick J. Ramirez and passed to deny his request for application for certification by examination because he did not meet the education requirements and to appoint Valerie M. Elliott, Executive Director, or Jim Dubé, Deputy Director as a designated representative of the Board to conduct a informal settlement conference, if requested, with limited authority to settle.

**Application for Certification by Reciprocity Based on Substantial Equivalency,
Deferral by Certification Committee - A.R.S. § 32-726**

Steven M. Durst

Patrick J. Ramirez reviewed the file. A motion was made by Patrick J. Ramirez, seconded by Gary W. Fleming and passed to approve his request for certification by reciprocity pursuant to A.R.S. § 32-726.

Request for a CPE Waiver and/or Fee Waiver – A.R.S. § 32-730(C) & (D)

Phillip Dennis Lambson 984-E

The Board reviewed the file. A motion was made by Patrick J. Ramirez, seconded by Gary W. Fleming and passed to defer action on the file and allow the registrant an opportunity to supply supportive documentation for his request within 30 days.

Shu-Yuan Wu 5255-E

Dominick M. Angiulo 3090-R

A motion was made by Patrick J. Ramirez, seconded by Gary W. Fleming and passed to grant their requests for CPE and Fee Waivers.

Request for Inactive Status – A.R.S. § 32-730

Richard M. Gardner 10944-R

Robert Byrne Farrell 14178-R

A motion was made by Patrick J. Ramirez, seconded by Gary W. Fleming and passed to grant their requests for inactive status.

Application for Reinstatement – A.R.S. § 32-748:

Frank J. Strocchio 12277-E

Mary Kaye Vosberg 7014-E

A motion was made by Earl R. Shivers, seconded by Patrick J. Ramirez and passed to grant their requests for application for reinstatement.

SUMMARY OF CURRENT EVENTS

None.

DISCUSSION OF ITEMS TO BE PLACED ON FUTURE MEETING AGENDA

The Board discussed adding the letter from the Connecticut Board of Accountancy on the next Board. The Board discussed having the Accountancy Licensee Database on the annual meeting agenda. The Board requested the consent agenda be moved up in the order of the agenda.

ADJOURNMENT

A motion was made by Patrick J. Ramirez, seconded by Earl R. Shivers and passed to adjourn at 12:45 p.m.

Marianne E. DeVries, CPA, President

Patrick J. Ramirez, Member, Treasurer

Debbi Fitzgerald, CPA Member

Gary W. Fleming, CPA Member

Earl R. Shivers, CPA, Member